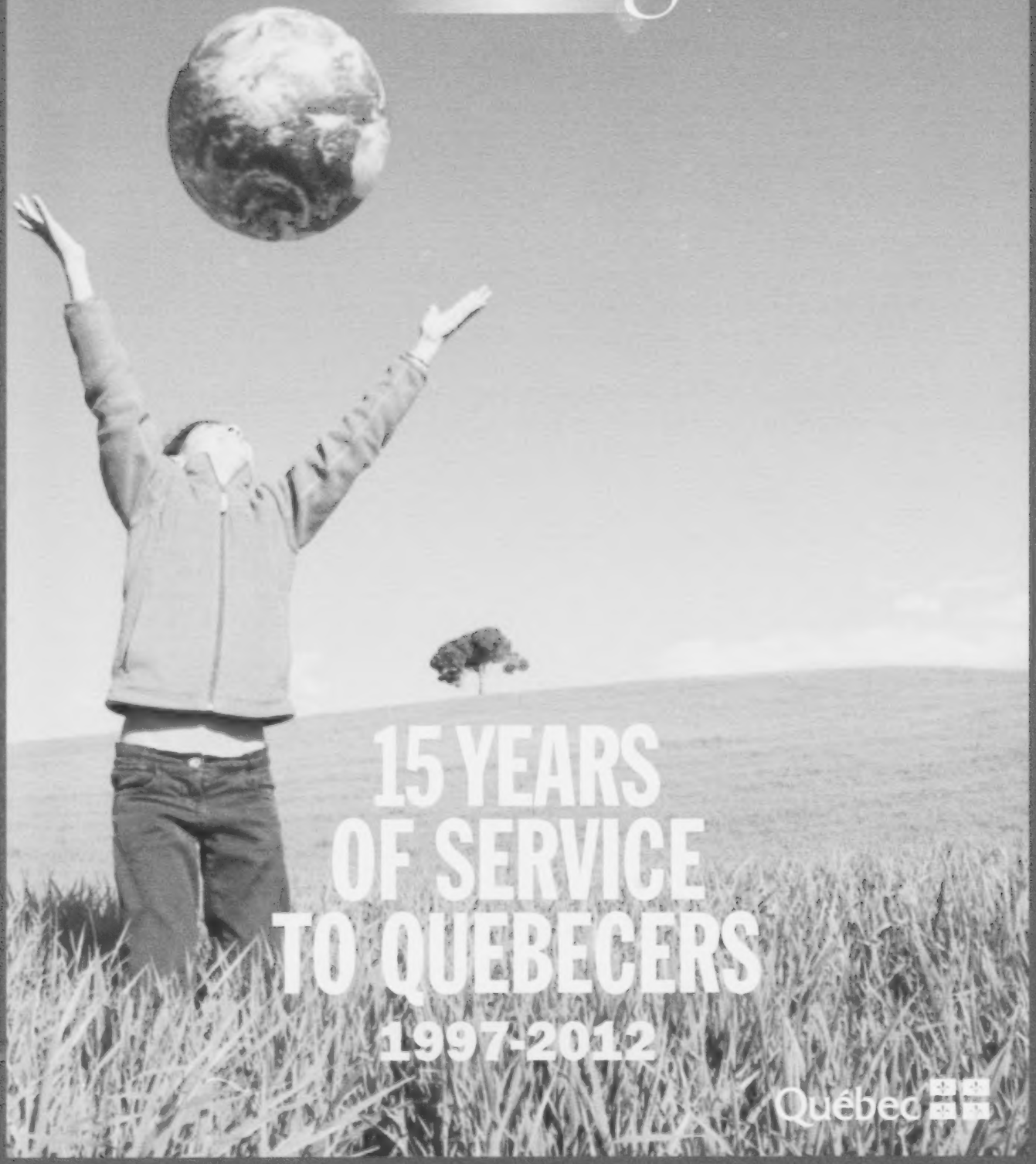
La Régie de l'Énergie



15 YEARS OF SERVICE TO QUEBECERS

1997-2012

Québec

Serving the Public Interest.

It's What We Do Every Day. www.regie-energie.qc.ca

Régie de l'énergie
Québec

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SUMMARY

04 Interview
06 Administration
07 The Work of the Régie
08 Client Relations
10 Statistics
12 Electricity
14 Petroleum Products
16 Natural Gas
17 Financial Summary
18 2012-2013 Cases

To learn more about the Régie de l'énergie, its team, its accomplishments and its cases, visit our website:

www.regie-energie.qc.ca

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MISSION : The Régie de l'énergie is an economic regulation agency. Its mission is to foster the conciliation of the public interest, consumer protection and the fair treatment of the electricity carrier and distributors. The Régie strives to ensure that energy needs are satisfied while promoting sustainable development as well as individual and collective equity. To this end, the Régie fixes and modifies the rates and conditions for the transmission of electric power by the electricity carrier, the distribution of electric power by the electricity distributors, and the supply, transmission, delivery and storage of natural gas by the natural gas distributors. In fixing and modifying rates, the Régie favours the use of incentives to improve the performance of the electricity carrier, the electricity distributor and the natural gas distributors, and to promote the satisfaction of consumer needs. The Régie examines consumer complaints about decisions rendered by the electricity carrier, the electricity distributor or a natural gas distributor concerning the application of the rates or conditions of service. The Régie also monitors the prices of petroleum products and steam.

Jean-Paul Théorêt

Chairman of the Régie de l'énergie

Q We don't know a lot about the Régie de l'énergie. What is its role?

R In fact, the Régie does not have a high public profile, and that is normal. The work we do – mainly the economic regulation of natural gas distribution companies and electricity transmission and distribution companies – is far from peoples' daily preoccupations. Our role is to reconcile the public interest, consumer protection and the fair treatment of the companies under our jurisdiction. It is about ensuring a balance between the monopolies in the energy sector, their customers and society as a whole. We are also responsible for monitoring the price of petroleum products in order to provide information to consumers.

What was the most significant event of the past year?

Beyond the major issues like setting rates for the distribution of natural gas and electricity and for electricity transmission, the Régie continued its efforts to offer efficient and modern regulation for the benefit of Québec consumers. This year also had a special significance as the 15th anniversary of the creation of the Régie de l'énergie.

Fifteen years already since the creation of the Régie de l'énergie! Can you recall for us the context in which it was created?

The Régie was set up on June 2, 1997, in the context of the liberalization of electricity markets in North America. Its creation followed the main recommendations of the energy policy for Québec that was published in 1996. An Act respecting the Régie de l'énergie was unanimously adopted by the National Assembly of Québec.

The Régie carried on the work of the Régie du gaz naturel in regulating the activities of natural gas distributors. Also it received new responsibilities in the field of electricity, in petroleum products, and for receiving consumer complaints.

How has the role of the Régie evolved since 1997?

Since its establishment, the Régie has had the delicate mandate of reconciling the public interest, consumer protection, and the fair treatment of companies under its jurisdiction.

After 15 years, however, the Régie's mandate has become wider. The responsibility for ensuring energy security and the application of reliability standards for electricity transmission came following major events that marked the energy sector. There were also regulatory innovations that allowed us to achieve greater efficiency.

What are the outstanding moments in the history of the Régie de l'énergie?

In 2003, a major outage hit Ontario and eight Northeastern US states, depriving nearly 100 million people of electricity. After that outage, there was a strong wish to put into place mandatory reliability standards for electricity transmission. The Régie ensured that it defined a Québec regulatory structure that integrates with the mandatory North American standards while preserving its jurisdiction.

The major fluctuations in gasoline prices have also been part of our daily concerns since the Régie has a mandate to monitor the prices of petroleum products. Quebecers want to know more about the prices of petroleum products, and each year the Régie improves its set of user-friendly tools to properly inform the public.

Internally, what were the notable events of these 15 years?

There were many important moments and I had the opportunity to experience many of them! First, in 2000 the First World Forum on Energy Regulation was held in Montréal, at the initiative of the Régie de l'énergie. Twelve years later, in May 2012, the Régie again hosted the world energy regulator community, in Québec City. Representatives from 75 countries came to discuss the evolution of the energy sector and its regulation.

In 2004, the Régie set up a conciliation process for complaints, and it has been a success ever since. By abandoning confrontation for conciliation, in most complaint dossiers we have found a winning solution for both parties.

2010 was definitely another key year for the Régie, since that was the year we implemented an electronic document submission system. The entire processing of thousands of documents related to our hearings was facilitated and simplified by this tool, while enabling an update in real time of our website and the files of the Office of the Clerk.

You have been Chairman of the Régie since 2005.

Yes, seven years already! I think that the excellent work of the Régie is largely due to the formidable team. Beyond the commissioners, there are lawyers, specialists, and administrative and Secretariat employees: people who work each day to offer a service of exceptional quality.

The energy sector seems to be full of surprises for the ordinary citizen. Can you tell us what the future holds for us?

One of the great lessons I have learned in nearly 25 years as a regulator is that we live in a constantly evolving world. Who could have guessed that North America would become a net exporter of natural gas, when ten years ago we were looking at a shortage? What about the dreams of the late 1990s that hydrogen would become the main source of energy in every residence?

In closing, what do you see as the future of the Régie de l'énergie?

Last year we adopted a strategic plan to the year 2014. It works around three main axes: to offer effective, coherent and transparent regulation; to apply efficient regulatory and management practices; and finally, to maintain competent, motivated and effective personnel.

This structure will allow us to face the many challenges ahead, such as the new responsibilities that we have been given for the implementation of the Québec-Canada agreement for the development of oil and gas resources in the Gulf of St. Lawrence.

Highlights

In addition to regulatory activities, many administrative projects punctuated the daily life of the Régie. In 2011-2012, the Régie pursued the following matters:

I
Application of the **2011-2014 Strategic Plan** of the Régie de l'énergie

II
Application of the **Regulation respecting the annual duty payable to the Green Fund** and sending of notices of payment, and participation in the application of the regulation respecting the annual share payable to the Natural Resources Fund - energy efficiency and innovation component

III
Implementation of a **monitoring regime** for the mandatory reliability standards for the electricity transmission network

IV
Application of the **sustainable development action plan for 2009-2013**

V
Application of the **amended policy on the conditions of contracts**

VI
Consolidation of the **electronic regulatory document submission system**

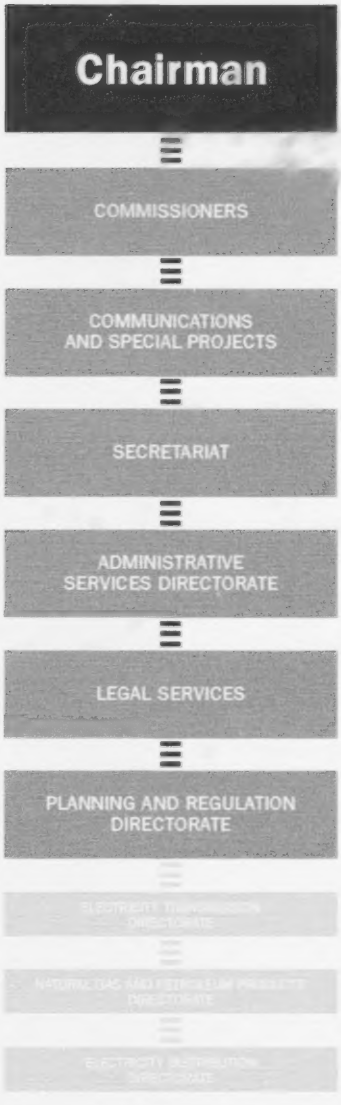
VII
Application of the new **Act respecting the governance and management of the information resources of public bodies and government enterprises**

VIII
Application of the **information security policy** with the optimization of IT equipment

IX
Update and application of the **2011-2012 Action Plan** to secure handicapped persons the exercise of their rights with a view to achieving social, school and workplace integration

X
Organization of the **Fifth World Forum on Energy Regulation** in Québec City in May 2012

Organization Chart



Summary of Activities

During 2011-2012, the Régie rendered 112 decisions on applications.

44
Electricity Distribution

27
Electricity Transmission

40
Natural Gas

01
Petroleum Products

112
Total Decisions Rendered

Regulatory Activities

By its rate decisions, by its authorization of investments and monitoring of the activities of the organizations under its jurisdiction, the Régie sees to it that the rates paid are fair and reasonable. It also ensures that the investments necessary for the maintenance and extension of the electricity transmission network and the electricity and natural gas distribution systems can be made. The Régie also sees to it that the regulated companies respect the standards and conditions of service that it establishes.

In 2011-2012, the Régie received 31 applications and 195 complaints. It held 116 days of hearings, 14 working sessions, three preparatory meetings, and 84 conciliation sessions.

63%

Rate of resolution of cases without hearings

19,000

Email messages received

2,800

Information requests

195

Complaints received

84

Conciliation sessions

Consumer Complaints

In the exercise of its jurisdiction over electricity and natural gas consumer complaints, this year the Régie received 195 complaints, a reduction from last year.

To deal with these complaints, it held 84 conciliation sessions. In the same period, 215 cases were concluded. Of these, 71 were resolved by the parties and 52 were resolved by conciliation, for a slight increase over last year. In 2011-2012, the Régie successfully pursued its free conciliation service, seeking winning solutions in the conflicts between distributors and their customers. The rate of resolution of complaints without formal hearings was therefore 63%.

As for complaints that were not resolved by conciliation or other means, 43 were resolved by decision on the basis of the file, and 43 after oral hearings. 18 were withdrawn.

Informing the Public

The Régie's telephone information service answered nearly 2,800 telephone enquiries from consumers during the past year, a slight increase over last year.

Also, the Régie answered a constantly growing volume of email from the public, with questions ranging from very general to very specific matters regarding Régie cases. In all, this meant more than 19,000 emails from researchers, consumers and the general public. This suggests a growing public awareness of the Régie and the cases it handles.

Public Participation

Payment of Intervenor Costs

The Régie may order the electricity carrier or any distributor of electricity or natural gas to pay, in whole or in part, expenses related to proceedings conducted under the Régie's authority. When the public interest warrants it, the Régie may pay such costs for groups formed for the purpose of participating in its public hearings. The amount of the reimbursement is determined in accordance with the Act, the Rules of Procedure and the Intervenor Costs Payment Guide.

In 2011-2012, the Régie authorized the reimbursement of intervenor costs totalling $3,583,955.

Intervenor Costs Granted between April 1, 2011 and March 31, 2012

$2,069,774
Electricity

$1,514,181
Natural Gas

$0
Petroleum Products

$3,583,955
Total

Participants in the Régie's Work

Association coopérative d'économie familiale de l'Outaouais – **Association coopérative d'économie familiale de Québec** – Association des redistributeurs d'électricité du Québec – **Association québécoise de lutte contre la pollution atmosphérique** – Association québécoise des consommateurs industriels d'électricité – **Association québécoise des indépendants du pétrole** – Brookfield Energy Marketing – **Canadian Federation of Independent Business** – Canadian Petroleum Products Institute – **Costco Wholesale Canada Ltd** – Énergie La Lièvre s.e.c. – **Fédération québécoise des municipalités** – Gaz Métro Limited Partnership – **Gazifère Inc.** – Groupe de recherche appliquée en macroécologie – **Hydro-Québec (Direction - Contrôle des mouvements d'énergie)** – Hydro-Québec Distribution – **Hydro-Québec TransÉnergie** – Imperial Oil – **Industrial Gas Users Association** – Intragaz Inc. – **Newfoundland and Labrador Hydro** – Ontario Power Generation – **Option Consommateurs** – Quebec Forest Industry Council – **Quebec Oil and Gas Association** – Questerre Energy Corporation – **Regroupement des organismes environnementaux en énergie** – Regroupement national des Conseils régionaux de l'environnement du Québec – **Rio Tinto Alcan** – Stratégies énergétiques – **Suncor Energy Inc.** – Syndicat des employé-e-s de technique professionnelle et de bureau d'Hydro-Québec (SCFP-FTQ) – **Talisman Energy Inc.** – TransCanada Energy Ltd – **Ultramar Ltd** – Union des consommateurs – **Union des municipalités du Québec** – Ville de Saint-Jérôme – **Westmount Hydro**

Access to Information

Report on access to documents and the protection of information

The Régie, as a public organization subject to the Act respecting access to documents held by public bodies and the protection of personal information, must include in its annual report a section attesting to the dissemination of documents covered by this law and reporting on certain activities.

In conformance with the Act, the Régie publishes various information on its website, including: its organization chart; the name and contact information of the official responsible for access to documents and the protection of personal information; research or statistical studies and reports that it has produced and whose distribution is in the public interest; documents sent in response to an access to information request whose distribution is in the public interest; a description of the services offered as well as the related forms; the laws, regulations, codes of ethics, directives, policies, and other documents of a similar nature that serve in decision-making concerning the rights of the citizen that it is responsible for applying; draft regulations published in the Official Gazette of Québec for which it is responsible; and documents that it produces deposited for the purposes of a public hearing of the National Assembly or one of its committees or sub-committees. The Régie's classification plan is currently under review and will be made public when it is adopted.

The Régie received a total of nine requests for access during 2011-2012, which were processed within the 20-day delay prescribed by the law. Of these nine requests, three were accepted without reserve and dealt with documents relating to the annual share payable to the ministère des Ressources naturelles et de la Faune and the annual duty paid to the Régie de l'énergie, as well as the implementation of the measures in its 2010-2014 action plan for the reduction and control of expenses. The six other requests were partially met, with the exception that some documents requested from the Régie included information on individuals which had to be suppressed by virtue of articles 53 and 57 of the law, or which referred to documents submitted confidentially to the Régie, to which access is denied under articles 23 and 24 of this law.

Energy in Québec since 1997

Percentage of household income used for energy

1997 7.1%
2010 7.0%

Source: Ministère des Ressources naturelles et de la Faune du Québec

Percentage of wind energy in total installed electricity generation

1997 0%
2010 1.6%
(659 MW)

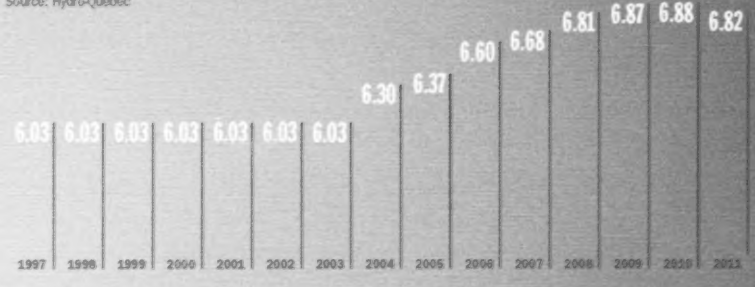
Source: Ministère des Ressources naturelles et de la Faune du Québec

Installed capacity
(MW)

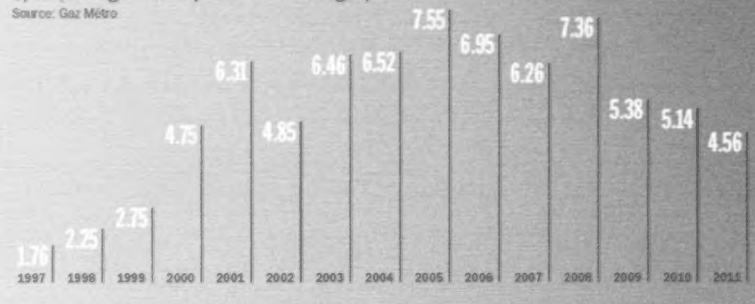
1997 35,392
2010 42,202

Sources: Ministère des Ressources naturelles et de la Faune du Québec, Hydro-Québec

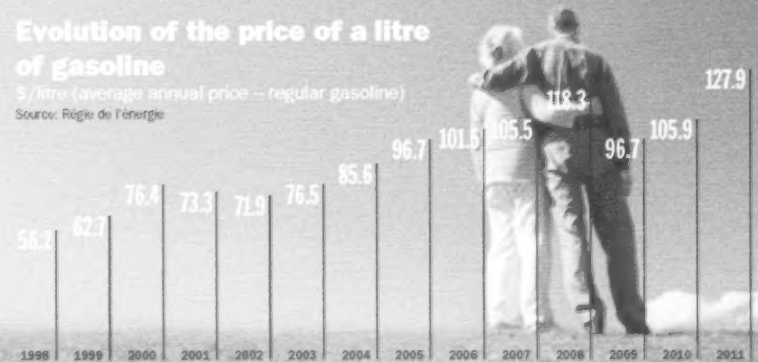
Evolution of the price of electricity
c/kWh (domestic rate)
Source: Hydro-Québec



Evolution of the price of natural gas
$/GJ (average annual price for network gas)
Source: Gaz Métro



Evolution of the price of a litre of gasoline
$/litre (average annual price – regular gasoline)
Source: Régie de l'énergie

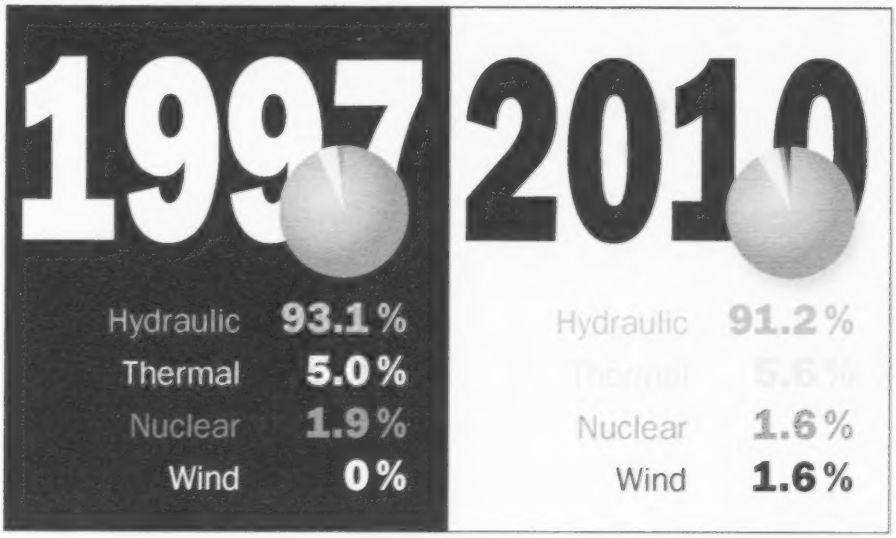


2011-2014 Sustainable Development Plan

GOVERNMENT OBJECTIVE 1 Raise awareness of the concept and principles of sustainable development. Foster sharing of experience and skills related to sustainable development and assimilation of the knowledge and know-how to implement it. *ORGANIZATIONAL OBJECTIVE 1 Raise awareness of the nature and scope of the concept of sustainable development and its 16 principles.* **ACTION 1 Carry out activities that promote achievement of the government's awareness-raising and training plan for public servants.** *ORGANIZATIONAL OBJECTIVE 2 For authorizations, use analytic tools that take principles of sustainable development into account.* **ACTION 2 To assess administrative projects, adapt and test an analytic grid that takes principles of sustainable development into account.** GOVERNMENT OBJECTIVE 4 Develop and promote a culture of prevention and create conditions conducive to health, safety and environmental responsibility. *ORGANIZATIONAL OBJECTIVE 3 Maintain and improve employees' physical and psychological health.* **ACTION 3 Provide employees with a work**

Installed capacity by energy source

Sources: Ministère des Ressources naturelles et de la Faune du Québec, Hydro-Québec



Monthly cost of electricity for a residential customer

$Can/1,000 kWh – April 1, 2011

Source: Hydro-Québec

Total energy expenses

$million current

Source: Ministère des Ressources naturelles et de la Faune du Québec

1997	18,363
1998	17,795
1999	19,028
2000	22,478
2001	21,850
2002	22,359
2003	24,514
2004	26,861
2005	28,852
2006	30,372
2007	31,809
2008	34,529
2009	30,051

environment that promotes health, safety and quality of life. **ACTION 4** **Promote and implement practices and activities that support human-powered transport.** GOVERNMENT OBJECTIVE 6 Implement environmental management measures and an environmentally responsible procurement policy at government ministries and agencies. *ORGANIZATIONAL OBJECTIVE 4 Promote the adoption of environmentally responsible practices in the Régie's daily management and administration activities.* **ACTION 5** **Implement practices and activities called for by the policy on environmentally responsible government.** GOVERNMENT OBJECTIVE 7 Promote reduced use of energy, natural resources and physical resources in the production and marketing of goods and services. *ORGANIZATIONAL OBJECTIVE 5 Facilitate employee involvement in implementing and promoting energy efficiency.* **ACTION 6** **Promote energy efficiency to employees.** To see the **Action Plan and the Sustainable Development results for 2011-2012,** visit the Régie de l'énergie website.

Electricity

The Régie authorizes a rate reduction of 0.5% and investments of over $4 billion

The revenue requirement for Hydro-Québec Distribution authorized by the Régie was increased to a total of $10,765.4 million for the 2012 rate year, which represents an average rate reduction of 0.5% for consumers. These new rates came into effect on April 1, 2012.

The Régie also approved an energy efficiency budget of $219 million for Hydro-Québec Distribution for 2011. Under its energy efficiency plan for 2003-2015, the Distributor will invest $2,300 million in its programs and activities, added to $900 million spent by its customers. Thus, by the end of this period, in 2015, $3,200 million will have been dedicated to energy efficiency in the Québec. The expected energy savings by 2015 are 7.6 TWh.

The Régie also approved contracts flowing from a call for tenders for a block of 500 MW of energy to be produced by Aboriginal and community wind farm projects.

The Régie approved the 2011-2012 supply plan for the electricity distributor. It approved a program to purchase electricity produced by cogeneration with forest industry waste biomass. It also approved the temporary suspension for 2012 of electricity production at the TransCanada Energy Ltd power station at Bécancour. By contrast, it rejected a request for approval of the global modulation agreement concluded with Hydro-Québec Production.

-0.5%

Average rate reduction for electricity consumers on April 1, 2012

$10,765.4 million

Revenue requirement for 2012 for Hydro-Québec Distribution approved by the Régie

$2,992.9 million

Revenue requirement for 2012 for Hydro-Québec TransÉnergie approved by the Régie

$953.1 million

Investments approved by the Régie for the construction and improvement of electricity distribution infrastructure

$3,254.2 million

Investments approved by the Régie for electricity transmission

The Régie de l'énergie fixes rates and conditions of service and authorizes the investments of the electricity carrier and the electricity distributor

The Régie approved several investments by the electricity distributor, including $152 million for the CATVAR project (Voltage Regulation and Reactive Power Control). This project should enable energy savings of 2 TWh once it is implemented in 2015. The Régie also began the study of a major investment project to replace the current meters by smart meters and install advanced metering infrastructure.

Since Hydro-Québec has adopted a new accounting standard that conforms to international norms (IFRS), the Régie has ruled on several financial impacts arising from this change in accounting principles that affect the Distributor and the Carrier.

In electricity transmission, the Régie approved a revenue requirement of $2,992.9 million for 2012 and completed its study of Hydro-Québec TransÉnergie's modifications to rates and conditions of service to ensure their compliance with certain orders of the Federal Energy Regulatory Commission of the United States (FERC).

The Régie continued the efforts it began in 2009 to establish mandatory electricity transmission reliability standards in Québec. In this regard, the Chairman of the Régie continues to be the designated representative of the provincial regulatory agencies in Canada at the Member Representative Committee of the North American Energy Reliability Corporation (NERC). This demonstrates the importance that the Régie puts on the question of electricity transmission network reliability, as well as the protection of Québec's interests in this matter. Following consultations in 2009-2010 with the companies that would be subject to the standards, work was proceeding on a second agreement with NERC and the Northeast Power Coordinating Council (NPCC), after authorization by the government, in order to ensure the monitoring of the reliability standards that are adopted.

In 2012-2013 the Régie will develop its internal monitoring process for reliability standards, which will become mandatory when the Régie adopts the standards of the North American Electric Reliability Corporation that are applicable to Québec. This includes those submitted in French by the Reliability Coordinator, as well as the sanctions guide required as a framework for dealing with contraventions of the standards.

The Régie also completed its examination of several investment projects in electricity transmission, including the connection of the La Romaine power station.

44

Decisions rendered by the Régie relating to Hydro-Québec Distribution

27

Decisions rendered by the Régie relating to Hydro-Québec TransÉnergie

Petroleum Products

The price of petroleum products increased significantly over the course of the year 2011-2012. For example, the average price for regular gasoline was 18.8% higher than that of the previous 12 months

The price of petroleum products increased significantly over the course of the year 2011-2012. For example, the average price for regular gasoline was 18.8% higher than that of the previous 12 months.

Under its mandate for monitoring the price of petroleum products, the Régie collects, compiles and disseminates retail prices at the pump for gasoline and diesel fuel. During the heating season, it performs the same monitoring operation for the retail price of heating oil.

The Régie also publishes an estimate of the cost to the retailer to sell gasoline and diesel fuel: the estimated minimum price (EMP). This weekly estimate is done for three types of fuel in each of the 17 administrative regions in Québec and 120 municipalities or boroughs. The EMP is composed of the minimum price at the loading ramp plus taxes and minimum transport costs, and adds, where appropriate, the amount that the Régie sets for operating costs under section 59 of An Act respecting the Régie de l'énergie.

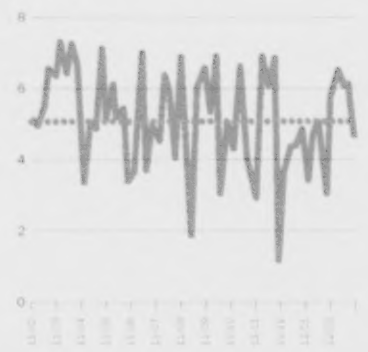
Price Movements

Québec as a whole - ¢/litre

Spread between the average price at the pump and the weighted average estimated minimum price

Regular gasoline

Québec as a whole - ¢/litre



To better inform consumers about the price of petroleum products, the Régie pursued its initiative to improve the information presented on its website

The Régie also produces a daily cost price indicator. Unlike the EMP it is produced daily and does not take into account the amount that the Régie sets for operating costs.

In July 2011 the Régie submitted a report on the various price control mechanisms for petroleum products and on the pertinence of adopting such measures in Québec. This report was intended to provide advice on the advantages and disadvantages of price control mechanisms on petroleum products, and a reflection on the pertinence of adopting such measures in Québec. The Régie concluded that setting up mechanisms to control prices in Québec is achievable to the extent that the government's goals regarding fuel prices are clearly explained in the legislative and regulatory structure. Thus, if the goal is to reduce fuel price fluctuations, the experience of the Atlantic provinces shows that a control mechanism can work. If the primary objective is to encourage the lowest possible price for the greatest number of consumers, then the model currently in effect in Québec, while it can be improved, remains valid.

To better inform consumers about the price of petroleum products, the Régie pursued its initiative to improve the information presented on its website.

In Fall 2011, it enriched the petroleum products section of its website. Several tables, previously produced only in PDF format, are now also available in the form of a downloadable spreadsheet. Recognizing that consumers do not always know where to go with their questions about petroleum products, the Régie provides a list of links to the organizations that regulate or provide information on this matter.

In November 2011, the Régie began its first regular census of gas stations operating in Québec. This is intended to provide a complete, reliable and up to date list, and to improve the quality of the inputs that serve to establish the average fuel prices that it publishes.

In the last quarter, the Régie began public hearings held every three years to set the amount in cents per litre of operating costs for a gasoline or diesel fuel retailer.

Price per Litre

From April 1, 2011
To March 31, 2012
(Québec as a whole)

Regular Gasoline

130.9¢
Weighted average retail price
(110.2¢ in 2010-2011)
Min: **123.4¢** [wk. of December 26, 2011]
Max: **138.3¢** [wk. of May 9, 2011]

81.5¢
Average minimum price at the loading ramp in Montréal
(65.5¢ in 2010-2011)
Min: **75.1¢** [wk. of December 12, 2011]
Max: **89.7¢** [wk. of March 26, 2012]

125.1¢
Weighted average estimated minimum price
(104.4¢ in 2010-2011)
Min: **117.6¢** [wk. of December 19, 2011]
Max: **132.9¢** [wk. of May 2, 2011]

5.1¢
Average spread between the weighted retail price of regular gasoline, before taxes, and the estimated minimum price
(5.2¢ in 2010-2011)

Light Fuel Oil

101.4¢
Weighted average retail price
(84.6¢ in 2010-2011)
Min: **94.4¢** [wk. of September 26, 2011]
Max: **108.1¢** [wk. of February 27, 2012]

Diesel Fuel

133.0¢
Weighted average retail price
(112.2¢ in 2010-2011)
Min: **126.7¢** [wk. of July 4, 2011]
Max: **140.4¢** [wk. of March 19, 2012]

Natural Gas

The Régie authorizes reductions in distribution rates at both Gaz Métro and Gazifère

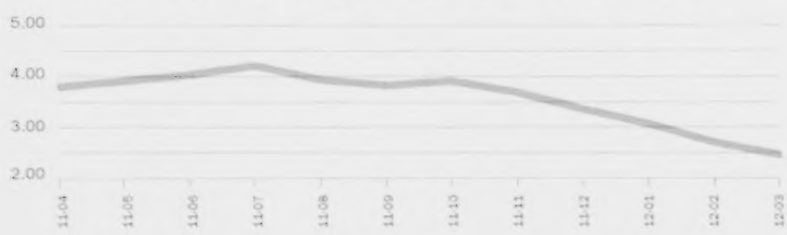
In natural gas, the Régie authorized an average reduction of 1.75% in the transmission, load balancing and distribution rates of Gaz Métro as of October 1, 2011. The revenue requirement for this distributor was established at $930.2 million.

La Régie also set the distribution rates for Gazifère. The average rate reduction for the customers of this distributor as of January 1, 2012, was 6.5%. The revenue requirement for Gazifère was established at $53.6 million.

The Intragaz rate for the storage of natural gas at the Pointe-du-Lac site was renewed for a two year period from May 1, 2011.

The Régie also approved investments totalling $197.4 million for natural gas distributors.

Monthly change in the system gas price Gaz Métro - $/GJ



40

Decisions rendered by the Régie regarding Gaz Métro and Gazifère.

-1.75%

The Régie approved an average reduction of 1.75% in the transmission, load balancing and distribution rates of Gaz Métro as of October 1, 2011.

-6.5%

The Régie approved an average reduction of 6.5% in the distribution rate of Gazifère as of January 1, 2012.

$197.4 million

The Régie authorized investments of $191.5 million for Gaz Métro and $5.9 million for Gazifère.

$930.2 million

The Régie authorized a total revenue requirement of $930.2 million for Gaz Métro.

$53.6 million

The Régie authorized a total revenue requirement of $53.6 million for Gazifère.

Code of Ethics

1. GENERAL PRINCIPLES Commissioners shall at all times conduct themselves with loyalty and dignity, demonstrate reserve, and abstain from any statement or action that is incompatible with their duties. In the performance of their mandate, Commissioners shall promote the satisfaction of Québec's energy needs in accordance with the principles of sustainable development and with attention to economic, social and environmental concerns. They shall also reconcile the public interest, consumer protection and equitable treatment of distributors. **2. IMPARTIALITY** Commissioners shall demonstrate impartially at all times. They shall act and be seen to act objectively and without prejudice. They shall abstain from expressing in public any opinions that might cast doubt on their objectivity or impartiality, or that of the Régie. **3. INDEPENDENCE** Commissioners shall at all times defend the independence of their office. They shall perform their duties free of all interference. They shall avoid placing themselves in a vulnerable position. **4. POLITICAL NEUTRALITY** Commissioners shall set aside their personal political opinions so as to perform their duties with the required objectivity. Commissioners shall exercise reserve in the public expression of their political opinions and shall not belong to any advocacy group that takes positions on energy-related matters. **5. CONFLICTS OF INTEREST** Commissioners shall avoid placing themselves in a position of conflict of interest. They shall arrange their personal affairs so as not to interfere with the performance of their duties. They shall not use the power of their position to obtain or grant any benefit or favour. Commissioners shall have no interest, direct or indirect, in any company that produces, transports, distributes or supplies energy, or in any organization, association or undertaking an interest in which would create a conflict between their personal interests and the duties of their position. **6. DECLARATION OF INTERESTS** Each Commissioner shall submit an annual written declaration to the Chairman of the Régie stating all the interests he or she possesses which he or she believes could create a conflict of interest. **7. RECUSAL** Commissioners shall recuse themselves from any deliberations in which their ability to deal impartially with the application under consideration could be in doubt. A Commissioner shall bring any situation which he or she deems to be problematic to the attention of the Chairman of the Régie. **8. CONFIDENTIALITY** Commissioners shall swear an oath of confidentiality upon entering upon their duties. Commissioners shall abstain from making any comment or taking any public position on any file, whether or not they are personally responsible for that file, and shall express their points of view only through the decisions rendered by the Régie. Commissioners shall at all times respect the confidentiality of the documents and information to which they are made privy in the course of their duties and may not use them for personal ends. **9. DUTY TO ACT WITH EQUITY** At hearings and in examining applications, Commissioners shall ensure that all participants have the opportunity to be heard and to make their arguments, insofar as those arguments are allowable and relevant. At hearings, Commissioners shall maintain order, taking a firm but courteous attitude which fosters mutual respect among all present. **10. COLLEGIALITY** Each Commissioner shall provide his or her colleagues with appropriate support, while respecting the authority of each. Commissioners shall strive to ensure that the decisions rendered by the Régie are consistent, so that all intervenors who appear before the Régie receive equitable treatment. **11. EXCELLENCE** Commissioners shall keep their professional skills and knowledge current so as to maintain the quality of their work. **12. DILIGENCE** Commissioners shall render written, reasoned decisions, effectively and diligently, in plain language. **13. OATH** Upon entering upon their duties, Commissioners shall take the following oath: "I, ... , Commissioner, do solemnly declare that I will exercise the powers and perform the duties of my position impartially and honestly, to the best of my ability and knowledge."

Financial Summary

Estimated revenue for the fiscal year ended March 31, 2012 consisted primarily of the duties paid by the electric power carrier, the electric power distributors, including Hydro-Québec when carrying on distribution activities, the natural gas distributors, and petroleum product distributors exceeding 100 million litres, in accordance with the Regulation respecting the annual duty payable to the Régie de l'énergie (section 112 of the Act, Order-in-Council 1379-2009, approved on December 21, 2009).

Pursuant to regulatory provisions, the audited accumulated surplus (deficit) to April 1, 2011, by form of energy, was taken into account in calculating the rates and duty payable by the subject distributors and the duty payable by the electricity carrier for 2011-2012. Based on the estimated results for the fiscal year ended March 31, 2012, as planned a negative surplus of revenues over costs reduced the surplus from the beginning of the year.

In accordance with section 106 of the Act and the related Order-in-Council (#832-2004), the Régie's budget forecasts for fiscal 2011-2012 were submitted to the Government on January 25, 2011 and were approved by Order-in-Council 490-2011 on May 11, 2011.

Electricity

Transmission

RATES AND CONDITIONS OF SERVICE

- 2013 rate request
- Policy on addition to the transmission network
- Transmission service contracts – SCHM and RTA

INVESTMENTS

- Batch approval of capital projects under $25 million
- Pérennité Maximo (software for maintenance management)
- Cadillac Substation
- CS Némiscau Substation
- Figuéry Substation (Abitibi)
- Manicouagan Substation (rebuilding CS -23 and CS -24)
- Palmarole connection and reinforcement (Abitibi – Joanna Mine)
- Renard connection (Mont Otish Mine)
- HQT Highgate project
- Waswanipi Substation
- Duchesnay Substation
- RMCC – Radisson-Nicolet

NETWORK RELIABILITY AND CONNECTION REQUIREMENTS

- Approval of the French version of the reliability standards and sanctions guide
- Approval of technical requirements for connection to the transmission network

ADMINISTRATIVE CASES

- 2011 Annual Report
- Finalization of the agreement between the Régie, NERC and NPCC regarding the monitoring of network reliability standards
- Development of monitoring activities for network reliability standards

Distribution

RATES

- 2013 rate case (including the Energy Efficiency Plan)
- Interruptible option for independent networks
- Option of installing a meter that does not emit radio frequencies
- Management of credit risk of residential customers

INVESTMENTS

- Batch approval of capital projects under $10 million
- Remote reading project
- Lefrançois Substation
- Followup of Decision D-2009-080 regarding the La Romaine connection
- Charland Substation
- Port Daniel Substation
- Supply to Clova village
- Rebuilding at the Ménihek power station
- Rebuilding at the Îles-de-la-Madeleine power station

PURCHASING

- Followup on Decision D-2011-193 regarding the global modulation agreement
- Suspension of production activities at the Bécancour power station for 2013
- Status of the 2011-2020 supply plan
- Monitoring of tender solicitation for modulation of wind energy

ADMINISTRATIVE CASES

- Evaluation of Energy Efficiency Plan programs
- 2011 Annual Report
- Technical and economic potential of independent networks

Natural Gas

RATES

- Gaz Métro – Annual Reports to September 30, 2011 and September 30, 2012
- Gaz Métro – Renewal of incentive mechanism
- Gaz Métro –2013 rate case
- Gazifère – 2013 rate case
- Rate for receiving natural gas (conditions of service)
- Intragaz storage rates
- Service to North Shore (deferred cost account and rates)

INVESTMENTS

- Service to North Shore (request for investment)
- Fibrek Inc., Saint-Félicien
- Investment project for the distribution of natural gas produced on the Gaz Métro territory (renewable natural gas)
- Request for authorization regarding an investment in the LSR plant and adjustments to LNG activities
- Simplification of the SAP data bank environment
- Expansion of storage at head office
- Network extension project (Wasamac)
- Service to the North Shore (request for creation of deferred cost account)

ADMINISTRATIVE CASES

- Followup evaluation of Energy Efficiency Plan – Gaz Métro

Making a complaint?

It's as easy as **1-2-3-4 !**

Have a problem?

First contact **Customer Service** at your energy distributor.

Not satisfied with the response you receive?

Make a **written complaint** to your distributor.
They have 60 days to get back to you with a written decision.

Not satisfied with the written response from the distributor?

Make a written complaint within 30 days to the **Régie de l'énergie** explaining why you are not satisfied.

How will the matter be settled?

The Régie examines your complaint. **A conciliation session may be held** between the plaintiff and the distributor if both parties consent. If this does not settle the matter, the Régie will study the file or hold a hearing and make a final decision.

It's What We Do Every Day. www.regie-energie.qc.ca

Régie de l'énergie
Québec

Visit our website to learn the details of each of the steps.

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